

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
**- Engineering Bureau -**  
 1220 South St. Francis Drive, Santa Fe, NM 87505



## ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS  
 WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

**[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement  
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify \_\_\_\_\_
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply
- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☒ Notification and/or Concurrent Approval by BLM or SLO  
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

- [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

<u>Marshall Bates</u>	<u>M Bates</u>	<u>Engineering Tech</u>	<u>4/6/2021</u>
Print or Type Name	Signature	Title	Date
		<u>Marshall @ FAEnergyus.com</u>	
		e-mail Address	

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-107A  
Revised August 1, 2011

APPLICATION TYPE  
☒ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE  
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

FAE II Operating, LLC 11757 Katy Fwy. Ste. 1000, Houston, TX 77079

Operator **Arnott Ramsay NCT-B** Address **A-32-25S-37E** **Lea**  
Lease **329326** Well No. **326919** Unit Letter-Section-Township-Range **30-025-11863** County **X**  
OGRID No. \_\_\_\_\_ Property Code \_\_\_\_\_ API No. \_\_\_\_\_ Lease Type: ☐ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<i>Jalmat</i>		<i>Langlie Mattix</i>
Pool Code	<i>79240</i>		<i>37240</i>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	<i>2,555 – 3,070'</i>		<i>3,095' – 3,429'</i>
Method of Production (Flowing or Artificial Lift)	<i>Artificial Lift</i>		<i>Artificial Lift</i>
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	<i>33.1 API / 1.346 BTU</i>		<i>33.1 API / 1.346 BTU</i>
Producing, Shut-In or New Zone	<i>Producing</i>		<i>Producing</i>
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	<i>See Attached</i> Date: Rates:	Date: Rates:	<i>See Attached</i> Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas <i>0 % 87 %</i>	Oil Gas <i>% %</i>	Oil Gas <i>100 % 13 %</i>

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No \_\_\_\_\_  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes \_\_\_\_\_ No \_\_\_\_\_  
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No \_\_\_\_\_  
Will commingling decrease the value of production? Yes \_\_\_\_\_ No ☒  
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No \_\_\_\_\_  
NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

- Attachments:
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
  - Production curve for each zone for at least one year. (If not available, attach explanation.)
  - For zones with no production history, estimated production rates and supporting data.
  - Data to support allocation method or formula.
  - Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
  - Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *M Bates* TITLE *Engineering Tech* DATE *3/30/21*  
TYPE OR PRINT NAME *Marshall Bates* TELEPHONE NO. (*832*) *241 - 8080*  
E-MAIL ADDRESS *Marshall@FAEnergyus.com*



# faeIIoperating

March 31, 2021

Mr. Dean McClure  
New Mexico Energy, Minerals and Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

**Re: Arnott Ramsay NCT-B #003: API 30-025-11863**  
**Jalmat Pool: 79240**  
**Langlie Mattix Pool: 37240**

Dear Mr. McClure:

FAE II Operating LLC, as operator, will be filing applications with the New Mexico Oil Conservation Division for approval of the aforementioned commingling project. After a review of internal records, this letter serves as notice that the operator and interest owners are identical for the pools listed above.

If you have any questions, please feel free to contact the undersigned phone at (832) 220-9188 or by email at [steven@faenergyus.com](mailto:steven@faenergyus.com).

Thank you for your attention to this matter.

Sincerely,

FAE II Operating, LLC



Steven Lehrbass

Land

# faeIIoperating

March 29, 2021

**VIA ONLINE FILING**

Mr. Dean McClure  
New Mexico Energy, Minerals and Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

**Re: Application of FAE II Operating, LLC for Administrative Approval to Downhole Commingle and Sell Oil and Gas Production from the Jalmat and Langlie Mattix Pools for the Arnott Ramsay NCT-B #3 well located in Sec. 32, T-25S, R-37E, Lea County, New Mexico**

Dear Mr. McClure:

FAE II Operating LLC, OGRID: 329326, requests administrative approval for downhole commingling of oil and gas production from the Jalmat and Langlie Mattix Pools for its Arnott Ramsay NCT-B #3 well located in Unit Letter A, Section 32, T-25S, R-37E, 660 feet FNL and 660 feet FEL, as shown in the attached C-102's for each zone.

The Arnott Ramsay NCT-B #3 is currently open to the Yates-Seven Rivers interval, which translates to the JALMAT; TAN-YATES-7 RVRs pool [Pool ID: 79240]. The production curve for this interval is shown in Exhibit A. To develop a forecast for this zone, a decline curve was utilized based on the aforementioned historical production.

The zone that does not have production history in the Arnott Ramsay NCT-B #3 is the Seven Rivers-Queen, which translates to the LANGLEIE MATTIX; 7 RVRs-Q-GRAYBURG [Pool ID: 37240]. To develop a forecast for this zone, three (3) surrounding wells with production history from the Seven Rivers-Queen were used as an offset to prove up hole potential in the Arnott Ramsay NCT-B #3 by taking the historical average of the oil, gas, and water production. The resulting historical average production curve for this interval is shown in Exhibit B. From there, a decline curve was utilized based on the aforementioned historical production.

Overall, the forecast for the proposed downhole commingled production was formed by combining the forecasts for both zones, as shown in the Synthetic Decline Curve column of Exhibit C. This forecast for the Arnott Ramsay NCT-B #3 proved that an IP of 5.2 BOPD and 57.0 MCFPD is the expected total, and of that, 5.2 BOPD and 7.2 MCFPD will come from the Seven Rivers-Queen zone. The Yates-Seven Rivers is projected to yield 0.0 BOPD and 49.8 MCFPD with the additional intervals that will be opened up. This information along with the percentage allocation across the zones is shown in Exhibit D.

After a review of internal records, the interest owners are identical for the aforementioned wells. As such, notification to the relevant parties of our intent to commingle production will not be necessary.

This proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production. If there are further questions concerning this application, please feel free to contact the undersigned by email at [marshall@faenergyus.com](mailto:marshall@faenergyus.com) or by telephone at (832) 241-8080.

Very truly yours,

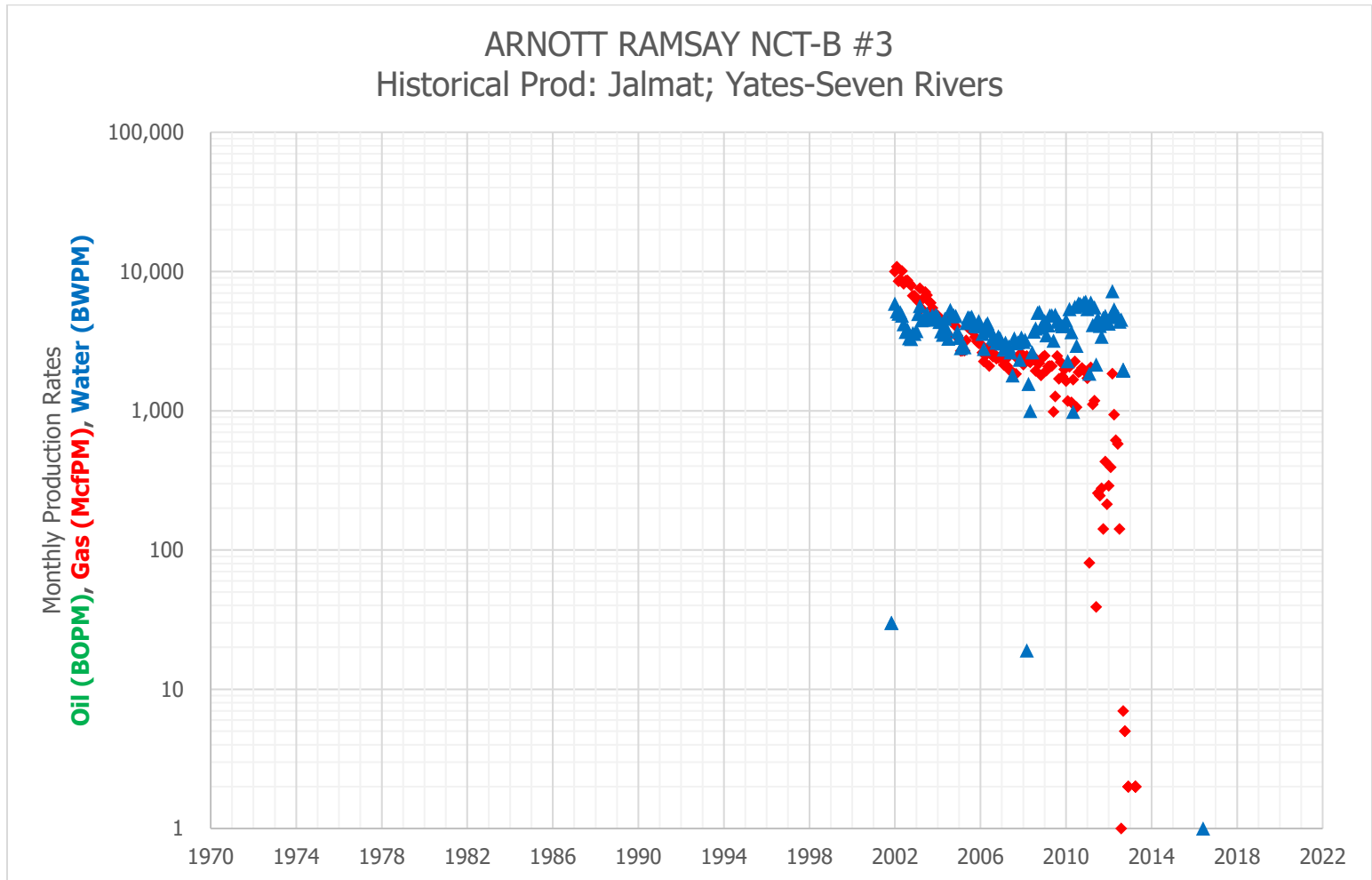


FAE II Operating, LLC



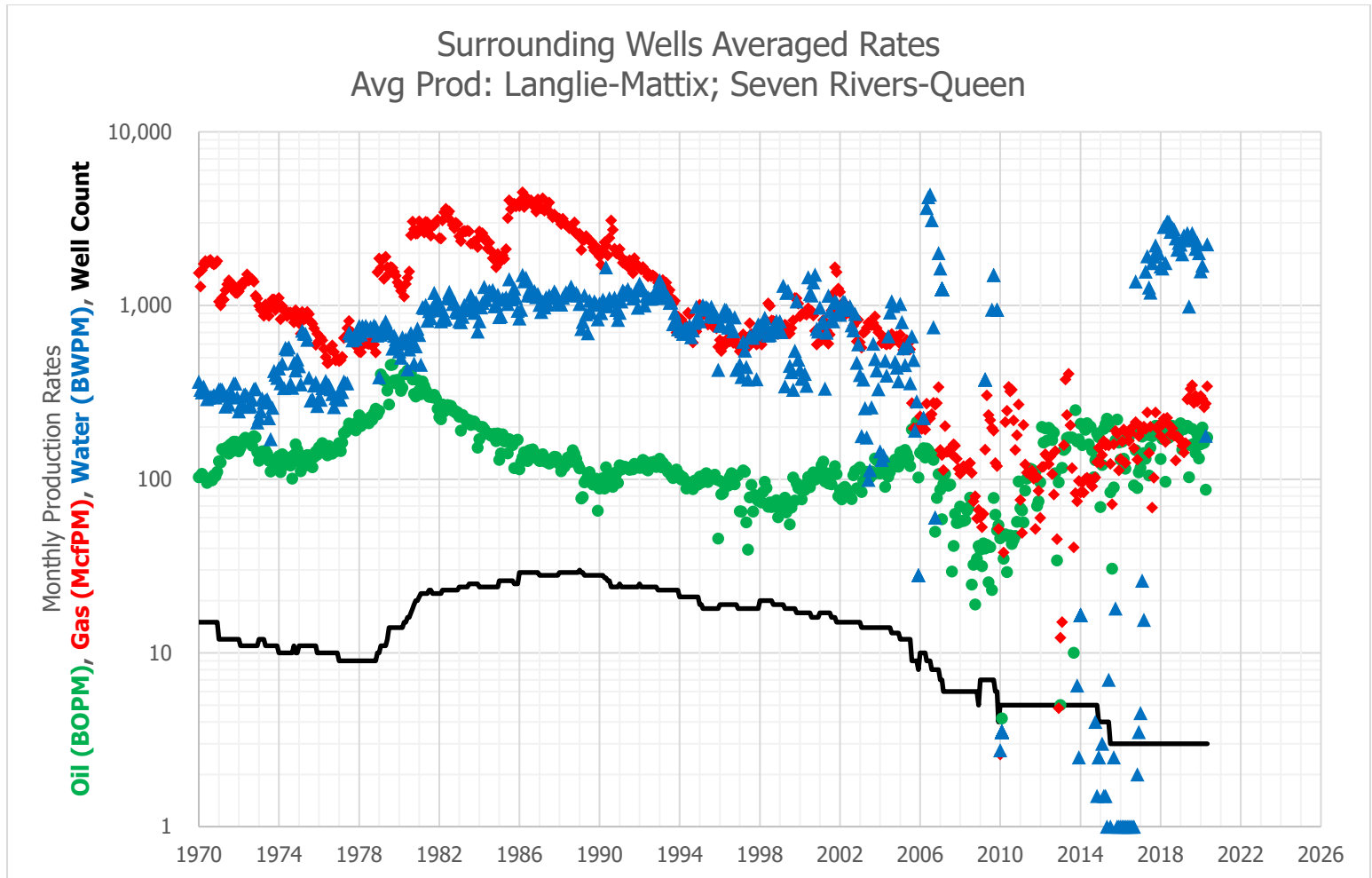
# faeIIoperating

## Exhibit A – Historical and Forecast Production in the Current Zone



# faeIIoperating

## Exhibit B – Historical Average Production in the Proposed Zone





# faeIoperating

## Exhibit C – Historical Production and Decline Curve

Surrounding Wells Averaged Rates					ARNOTT RAMSAY NCT-B #3				Synthetic Decline Curve			
Avg Prod: Langlie-Mattix; Seven Rivers-Queen					Historical Prod: Jalmat; Yates-Seven Rivers							
Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)	Well Count	Date	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)	Month	Avg Oil (BOPM)	Avg Gas (McfPM)	Avg Water (BWPM)
7/1/2015	84	122	1	3	1/1/2008		2,144	3,123	1	158.3	1,734	5,427
8/1/2015	31	72	1	3	2/1/2008		2,437	3,239	2	157.6	1,729	5,409
9/1/2015	90	159	3	3	3/1/2008		2,475	19	3	156.8	1,725	5,391
10/1/2015	168	189	18	3	4/1/2008		2,288	1,559	4	156.1	1,721	5,373
11/1/2015	221	182	1	3	5/1/2008		2,227	998	5	155.3	1,716	5,356
12/1/2015	163	112	1	3	6/1/2008		2,435	2,634	6	154.6	1,712	5,338
1/1/2016	130	130	1	3	7/1/2008		2,437	3,701	7	153.8	1,708	5,320
2/1/2016	165	165	1	3	8/1/2008		1,940	3,912	8	153.1	1,703	5,303
3/1/2016	131	193	1	3	9/1/2008		2,201	5,059	9	152.4	1,699	5,286
4/1/2016	115	124	1	3	10/1/2008		2,200	5,118	10	151.6	1,695	5,268
5/1/2016	184	183	1	3	11/1/2008		1,793	3,967	11	150.9	1,691	5,251
6/1/2016	174	166	1	3	12/1/2008		2,422	4,192	12	150.2	1,687	5,234
7/1/2016	187	185	1	3	1/1/2009		2,489	4,412	13	149.5	1,682	5,216
8/1/2016	189	199	1	3	2/1/2009		1,944	3,482	14	148.8	1,678	5,199
9/1/2016	92	151	1	3	3/1/2009		2,074	4,109	15	148.0	1,674	5,182
10/1/2016	147	213	1,375	3	4/1/2009		2,096	4,854	16	147.3	1,670	5,165
11/1/2016	89	129	2	3	5/1/2009		2,096	4,854	17	146.6	1,666	5,148
12/1/2016	110	177	4	3	6/1/2009		985	3,182	18	145.9	1,661	5,131
1/1/2017	116	200	5	3	7/1/2009		1,266	4,890	19	145.2	1,657	5,114
2/1/2017	176	191	26	3	8/1/2009		2,476	4,402	20	144.5	1,653	5,098
3/1/2017	142	201	16	3	9/1/2009		1,699	4,361	21	143.9	1,649	5,081
4/1/2017	131	194	1,566	3	10/1/2009		2,244	4,152	22	143.2	1,645	5,064
5/1/2017	180	242	1,919	3	11/1/2009		1,766	4,048	23	142.5	1,641	5,047
6/1/2017	105	141	1,271	3	12/1/2009		1,983	4,127	24	141.8	1,637	5,031
7/1/2017	152	201	1,185	3	1/1/2010		1,632	4,451	25	141.1	1,633	5,014
8/1/2017	177	69	1,758	3	2/1/2010		1,175	2,270	26	140.4	1,629	4,998
9/1/2017	198	102	1,911	3	3/1/2010		2,071	5,364	27	139.8	1,624	4,981
10/1/2017	203	242	2,216	3	4/1/2010		1,147	3,674	28	139.1	1,620	4,965
11/1/2017	203	196	2,040	3	5/1/2010		1,672	983	29	138.4	1,616	4,949
12/1/2017	184	205	1,986	3	6/1/2010		2,264	5,577	30	137.8	1,612	4,933
1/1/2018	131	177	1,675	3	7/1/2010		1,059	2,927	31	137.1	1,608	4,916
2/1/2018	171	206	1,633	3	8/1/2010		1,895	5,900	32	136.5	1,604	4,900
3/1/2018	196	223	2,831	3	9/1/2010		1,927	5,854	33	135.8	1,600	4,884
4/1/2018	97	163	1,752	3	10/1/2010		2,030	5,683	34	135.2	1,596	4,868
5/1/2018	203	226	3,039	3	11/1/2010		1,945	5,998	35	134.5	1,592	4,852
6/1/2018	173	206	3,026	3	12/1/2010		1,921	6,072	36	133.9	1,588	4,836
7/1/2018	187	181	2,651	3	1/1/2011		1,712	5,373	37	133.2	1,584	4,820
8/1/2018	203	196	2,795	3	2/1/2011		81	1,848	38	132.6	1,580	4,804
9/1/2018	192	178	2,745	3	3/1/2011		2,048	5,994	39	132.0	1,576	4,789
10/1/2018	183	128	2,438	3	4/1/2011		1,114	4,139	40	131.3	1,572	4,773
11/1/2018	202	177	2,092	3	5/1/2011		1,184	5,537	41	130.7	1,569	4,757
12/1/2018	187	171	2,294	3	6/1/2011		39	2,153	42	130.1	1,565	4,741
1/1/2019	210	168	2,240	3	7/1/2011		256	4,606	43	129.5	1,561	4,726
2/1/2019	148	156	1,971	3	8/1/2011		246	4,065	44	128.8	1,557	4,710
3/1/2019	194	142	2,528	3	9/1/2011		278	3,400	45	128.2	1,553	4,695
4/1/2019	198	161	2,436	3	10/1/2011		142	4,650	46	127.6	1,549	4,679
5/1/2019	203	288	2,609	3	11/1/2011		432	4,791	47	127.0	1,545	4,664
6/1/2019	103	295	986	3	12/1/2011		213	4,479	48	126.4	1,541	4,649
7/1/2019	157	330	2,371	3	1/1/2012		289	4,232	49	125.8	1,538	4,633
8/1/2019	195	348	2,602	3	2/1/2012		393	4,715	50	125.2	1,534	4,618
9/1/2019	160	274	2,403	3	3/1/2012		1,847	7,243	51	124.6	1,530	4,603
10/1/2019	141	302	2,120	3	4/1/2012		939	5,341	52	124.0	1,526	4,588
11/1/2019	181	281	2,293	3	5/1/2012		614	4,992	53	123.4	1,522	4,573
12/1/2019	132	294	2,000	3	6/1/2012		579	4,770	54	122.8	1,518	4,558
1/1/2020	159	301	1,572	3	7/1/2012		142	4,375	55	122.2	1,515	4,543
2/1/2020	198	290	1,693	3	8/1/2012		1	4,507	56	121.6	1,511	4,528
3/1/2020	162	259	1	3	9/1/2012		7	1,952	57	121.1	1,507	4,513
4/1/2020	87	272	178	3	10/1/2012		5		58	120.5	1,503	4,498
5/1/2020	174	342	2,248	3	11/1/2012		-		59	119.9	1,500	4,483
6/1/2020	122	295	2,175	3	12/1/2012		2		60	119.3	1,496	4,469
7/1/2020	87	356	1	3	1/1/2013		-					
8/1/2020	169	383	1	3	2/1/2013		-					
9/1/2020	166	328	1	3	3/1/2013		-					
10/1/2020	-	291	-	3	4/1/2013		2					
11/1/2020	190	307	1	3	5/1/2013	-	-	-				
12/1/2020	181	270	3	3	6/1/2013	-	-	-				

# faeIIoperating

## Exhibit D – Decline Curve IP Rates and Zone Allocation Percentage

Zone (1)	Zone (2)	Oil IP (BOPD)	Gas IP (MCFD)	Water IP (BWPD)
Jalmat	Yates-Seven Rivers	0.0	49.8	134.4
Langlie Mattix	Seven Rivers-Queen	5.2	7.2	44.1
	<b>Total</b>	<b>5.2</b>	<b>57.0</b>	<b>178.5</b>
Jalmat	Yates-Seven Rivers	0%	87%	75%
Langlie Mattix	Seven Rivers-Queen	100%	13%	25%
	<b>Total (%)</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
511 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-102

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-11863	Pool Code 79240	Pool Name Jalmit (Tansill-Yates-Seven Rivers)
Property Code 326919	Property Name Amott Ramsay NCT-B	Well Number 3
OGRID No. 329326	Operator Name FAE II Operating, LLC	Elevation 3004' GR

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
A	32	25S	37E		660'	North	660'	East	Lea

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County

Dedicated Acres 240	Joint or Infill N	Consolidation Code	Order No.
------------------------	----------------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>M. Bates</i></p> <p>Signature _____</p> <p>Printed Name <u>Marshall Bates</u></p> <p>Title <u>Engineering Tech</u></p> <p>Date <u>3/29/2021</u></p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyer: _____</p> <p>Certificate Number _____</p>

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-102  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-11863	Pool Code 37240	Pool Name Langlie Matrix
Property Code 326919	Property Name Amott Ramsay NCT-B	Well Number 3
GRID No. 329326	Operator Name FAE II Operating, LLC	Elevation 3004' GR

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
A	32	25S	37E		660'	North	660'	East	Lea

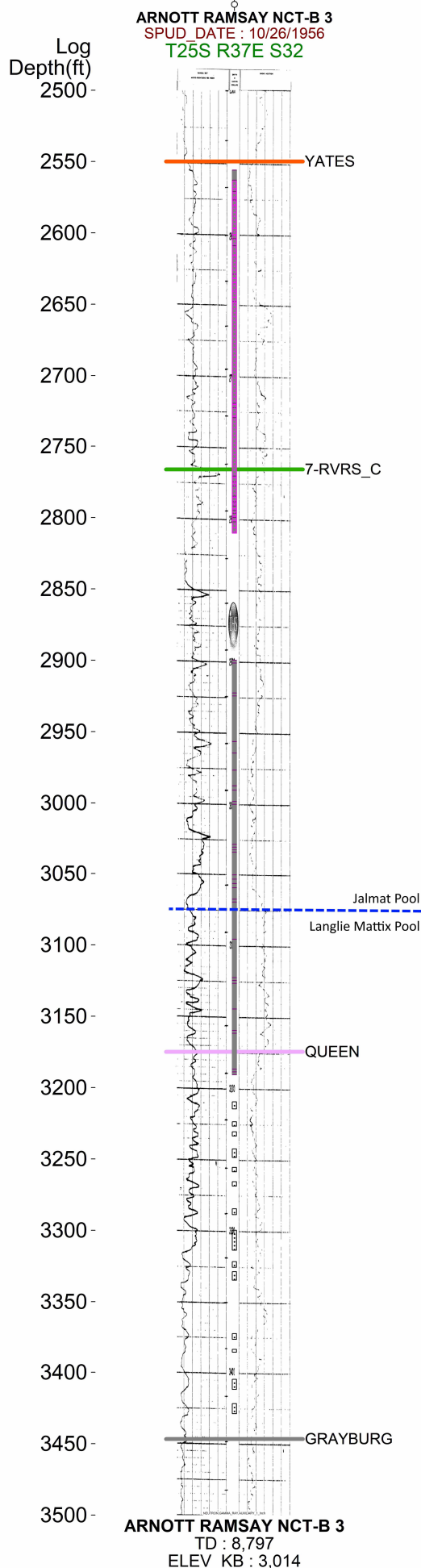
Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
Dedicated Acres 240	Joint or Infill N	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>Amott Ramsay NCT-B #3 660' FNL &amp; 660' FEL (A) Sec. 32, T-25-S, R-37-E</p> <p>Amott Ramsay NCT-B Jaimat P.U. N/2 NW/4 &amp; NE/4 Sec. 32, T-25-S, R-37-E (240 acres)</p> <p>Amott Ramsay NCT-B #2 1980' FNL &amp; 660' FEL (H) Sec. 32, T-25-S, R-37-E P&amp;A'd</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>m Bates</i></p> <p>Signature Marshall Bates</p> <p>Printed Name Engineering Tech</p> <p>Title 3/29/2021</p> <p>Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>





API	Source	Status	Top Perf	Btm Perf
30025118630000	CJH	PROPOSED	3210	3215
30025118630000	CJH	PROPOSED	3224	3227
30025118630000	CJH	PROPOSED	3231	3234
30025118630000	CJH	PROPOSED	3243	3249
30025118630000	CJH	PROPOSED	3256	3259
30025118630000	CJH	PROPOSED	3266	3269
30025118630000	CJH	PROPOSED	3285	3289
30025118630000	CJH	PROPOSED	3300	3314
30025118630000	CJH	PROPOSED	3322	3326
30025118630000	CJH	PROPOSED	3329	3335
30025118630000	CJH	PROPOSED	3373	3377
30025118630000	CJH	PROPOSED	3384	3386
30025118630000	CJH	PROPOSED	3405	3412
30025118630000	CJH	PROPOSED	3422	3429

Well Name: **Arnott Ramsay NCT-B #003** Lease No: \_\_\_\_\_ Lease Type: \_\_\_\_\_ State: \_\_\_\_\_  
 Township: **25-S** Range: **37-E** Sec: **32-A** Location: **660 FNL & 660 FEL**  
 County: **Lea** State: **NM** API: **30-025-11863** Formation: **Jalmat-Langlie Mattix; Y-7R-Q**

**Surface Csg**

Size: **13-3/8"**  
 Wt.&Thrd: **48#**  
 Grade: \_\_\_\_\_  
 Set @: **494'**  
 Sxs cmt: **600 sx**  
 Circ: \_\_\_\_\_  
 TOC: **Surface**  
 Hole Size: **17-1/4"**

**Intermediate Csg**

Size: **8-5/8"**  
 Wt.&Thrd: **24#**  
 Grade: \_\_\_\_\_  
 Set @: **3600'**  
 Sxs Cmt: **3388 sx**  
 Circ: \_\_\_\_\_  
 TOC: **Surface**  
 Hole Size: **11"**

SN **3393'**  
 EOT **3429'**

**Production Csg 2**

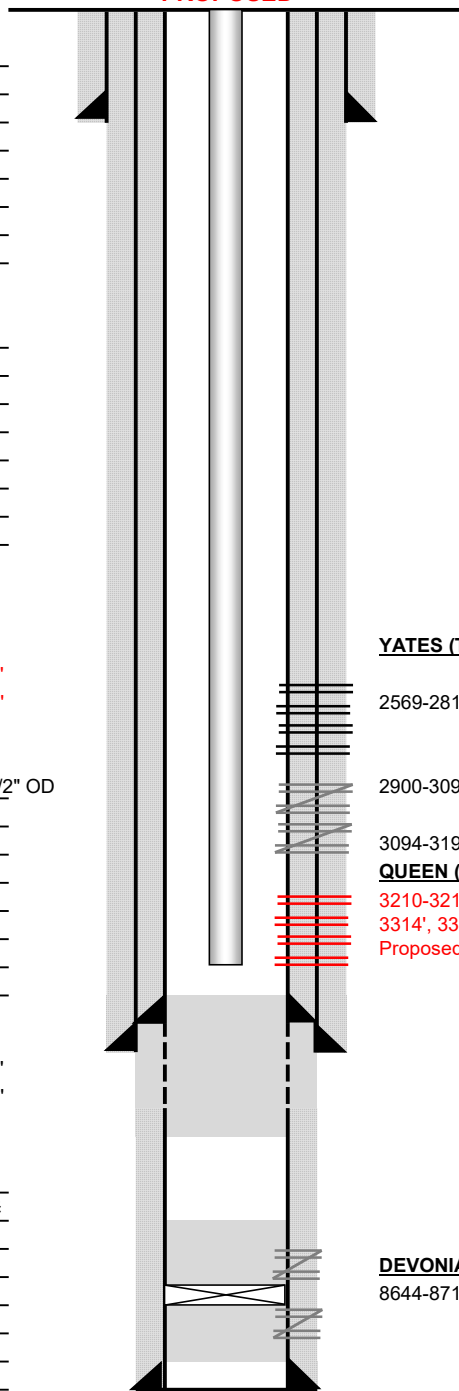
Size: **7" OD x 5-1/2" OD**  
 Wt.&Thrd: **23# x 15.5#**  
 Grade: \_\_\_\_\_  
 Set @: **3576'**  
 Sxs Cmt: **550 sx**  
 Circ: \_\_\_\_\_  
 TOC: **Surface**  
 Hole Size: **7-7/8"**

**Note:** (X-over @ 2466')

Cmt on top **8530'**  
 CICR **8725'**

**Production Csg**

Size: **5-1/2"**  
 Wt.&Thrd: **14-15.5-17#**  
 Grade: **N-80 & J-55**  
 Set @: **8797'**  
 Sxs Cmt: **800 sx**  
 Circ: \_\_\_\_\_  
 TOC: **4280'**  
 Hole Size: **7-7/8"**

**PROPOSED**

KB: **3014'**

DF: \_\_\_\_\_

GL: **3004'**

Spud Date: **10/26/1956**

Compl. Date: **12/16/1957**

**History - Highlights**

**1963:** Set CICR @ 8725' and sqz perfs 8740-8767'

**1964:** P&A well - Cut & pull 5-1/2" csg @ 4285', dump cmt on top 25 sx cmt to 4240', 25 sx cmt to 3575', cmt 50' to surface. Left 4495' of 5-1/2", 3583' of 8-5/8", 477' of 13-3/8" csg.

**2001:** Perf & Test YATES. Sqz 2900-3191'

**2013-07:** TA well

**Proposed:** DO cmt & CIBP, CO to ~3550'. Add Perfs & Acidize Langlie-Mattix; DHC Jalmat-Langlie Mattix Pools

**YATES (Top @ 2340')**

2569-2811' (24 holes) - Dec 2001

Acidized w/ 5200 gal 15% MCA acid; SWF w/ 224,053 gal, 45,000# 20/40 sand, 67,500# 10/20 sand, & 337,500# 8/16 sand

2900-3091' (21 holes) - Dec 2001 [SQUEEZED]

Acidized w/ 2600 gal 15% MCA acid

3094-3191' (11 holes) - Dec 2001 [SQUEEZED]

**QUEEN (Top @ 3175')**

3210-3215', 3224-3227', 3231-3234', 3243-3249', 3256-3259', 3266-3269', 3285-3289', 3300-3314', 3322-3326', 3329-3335', 3373-3377', 3384-3386', 3405-3412', 3422-3429' (2 SPF) - Proposed

Acidize w/ 5000 gals 15% NEFE HCL acid, 1500# rock salt, & flush w/ 1000 bbls 2% KCL water

**DEVONIAN (Top @ 8600') [SQUEEZED]**

8644-8715', 8740-8767' - Feb 1957

Acidized w/ 2000 gal 15% NE acid

**PBDT ~3550'**  
**TD 8797'**

**Tubulars - Capacities and Performance**

2-3/8" 4.7# 8rd EUE Tubing (105 jts 2-3/8" tbg, SN, 4' perf sub, MA w/ bull plug)



Well Name: **Arnett Ramsay NCT-B #003** Lease No: \_\_\_\_\_ Lease Type: \_\_\_\_\_ State: \_\_\_\_\_  
 Township: **25-S** Range: **37-E** Sec: **32-A** Location: **660 FNL & 660 FEL**  
 County: **Lea** State: **NM** API: **30-025-11863** Formation: **JALMAT;TAN-Y-7RVRS**

**CURRENT**Surface Csg

Size: **13-3/8"**  
 Wt.&Thrd: **48#**  
 Grade: \_\_\_\_\_  
 Set @: **494'**  
 Sxs cmt: **600 sx**  
 Circ: \_\_\_\_\_  
 TOC: **Surface**  
 Hole Size: **17-1/4"**

KB: **3014'**

DF: \_\_\_\_\_

GL: **3004'**Spud Date: **10/26/1956**Compl. Date: **12/16/1957**Intermediate Csg

Size: **8-5/8"**  
 Wt.&Thrd: **24#**  
 Grade: \_\_\_\_\_  
 Set @: **3600'**  
 Sxs Cmt: **3388 sx**  
 Circ: \_\_\_\_\_  
 TOC: **Surface**  
 Hole Size: **11"**

History - Highlights**1963:** Set CICR @ 8725' and sqz perfs 8740-8767'**1964:** P&A well - Cut & pull 5-1/2" csg @ 4285', dump cmt on top 25 sx cmt to 4240', 25 sx cmt to 3575', cmt 50' to surface. Left 4495' of 5-1/2", 3583' of 8-5/8", 477' of 13-3/8" csg.**2001:** Perf & Test YATES. Sqz 2900-3191'**2013-07:** TA well**All info from OCD well files ONLY**

Cmt on top **2454'**  
 CIBP **2494'**

YATES (Top @ 2340') [ISOLATED]

2569-2811' (24 holes) - Dec 2001

Acidized w/ 5200 gal 15% MCA acid; SWF w/ 224,053 gal, 45,000# 20/40 sand, 67,500# 10/20 sand, &amp; 337,500# 8/16 sand

2900-3091' (21 holes) - Dec 2001 [SQUEEZED]

Acidized w/ 2600 gal 15% MCA acid

3094-3191' (11 holes) - Dec 2001 [SQUEEZED]

Production Csg 2

Size: **7" OD x 5-1/2" OD**  
 Wt.&Thrd: **23# x 15.5#**  
 Grade: \_\_\_\_\_  
 Set @: **3576'**  
 Sxs Cmt: **550 sx**  
 Circ: \_\_\_\_\_  
 TOC: **Surface**  
 Hole Size: **7-7/8"**

**Note:** (X-over @ 2466')

Cmt on top **8530'**  
 CICR **8725'**

Production Csg

Size: **5-1/2"**  
 Wt.&Thrd: **14-15.5-17#**  
 Grade: **N-80 & J-55**  
 Set @: **8797'**  
 Sxs Cmt: **800 sx**  
 Circ: \_\_\_\_\_  
 TOC: **4280'**  
 Hole Size: **7-7/8"**

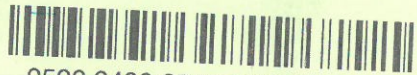
DEVONIAN (Top @ 8600') [SQUEEZED]

8644-8715', 8740-8767' - Feb 1957

Acidized w/ 2000 gal 15% NE acid

PBTD 2454'  
 TD 8797'

Tubulars - Capacities and Performance

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"><li>■ Complete items 1, 2, and 3.</li><li>■ Print your name and address on the reverse so that we can return the card to you.</li><li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>		<b>A. Signature</b> <b>X</b> <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
<b>1. Article Addressed to:</b>  Commissioner of Public Lands Attn: Commingling Manager PO Box 1148 Santa Fe, NM 87504   9590 9402 6545 1028 5770 08		<b>B. Received by (Printed Name)</b>	<b>C. Date of Delivery</b>
<b>2. Article Number (Transfer from service label)</b> 7020 0640 0000 9346 5552		<b>D. Is delivery address different from item 1?</b> <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
<b>3. Service Type</b> <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Registered Mail		<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery	

PS Form 3811, July 2020 PSN 7530-02-000-9053

**From:** [Engineer, OCD, EMNRD](#)  
**To:** [Vanessa Neal](#); [Marshall Bates](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Hawkins, James, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](#); [Dawson, Scott](#)  
**Subject:** Approved Administrative Order DHC-5130  
**Date:** Wednesday, December 22, 2021 5:35:02 PM  
**Attachments:** [DHC5130 Order.pdf](#)

---

NMOCD has issued Administrative Order DHC-5130 which authorizes FAE II Operating, LLC (329326) to downhole commingle production from 2 pools in their Arnott Ramsay NCT B #3 well (30-025-11863).

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

**From:** [Vanessa Neal](#)  
**To:** [McClure, Dean, EMNRD](#); [Marshall Bates](#)  
**Subject:** [EXTERNAL] RE: downhole commingling application DHC-5130  
**Date:** Tuesday, December 21, 2021 10:11:42 AM  
**Attachments:** [image001.png](#)  
[WBD AR NCT-B #003 CURRENT-PROPOSED 2021-12.pdf](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Mr. McClure,

Please find the attached current and proposed wellbore diagrams for the downhole commingling application DHC-5130 which involves the Arnott Ramsay NCT-B #3 (30-025-11863) operated by FAE II Operating, LLC (329326).

Thank you,

Vanessa Neal |Sr Reservoir Engineer

**forty acres energy**

O [832.219.0990 \(ext 165\)](tel:832.219.0990)

C [979.255.3476](tel:979.255.3476)

---

**From:** McClure, Dean, EMNRD <Dean.McClure@state.nm.us>  
**Sent:** Wednesday, November 24, 2021 3:46 PM  
**To:** Marshall Bates <marshall@faenergyus.com>; Vanessa Neal <vanessa@faenergyus.com>  
**Subject:** downhole commingling application DHC-5130

Mr. Bates, Ms. Neal,

I am reviewing downhole commingling application DHC-5130 which involves the Arnott Ramsay NCT-B #3 (30-025-11863) operated by FAE II Operating, LLC (329326).

Please submit current and proposed well bore diagrams for this well.

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211



**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION FOR DOWNHOLE COMMINGLING  
SUBMITTED BY FAE II OPERATING, LLC**

**ORDER NO. DHC-5130**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. FAE II Operating, LLC ("Applicant") submitted a complete application ("Application") to downhole commingle the pools described in Exhibit A ("the Pools") within the well bore of the well identified in Exhibit A ("the Well").
2. Applicant proposed a method to allocate the oil and gas production from the Well to each of the Pools that is satisfactory to the OCD and protective of correlative rights.
3. Applicant has certified that all produced fluids from all the Pools are compatible with each other.
4. Applicant has certified that downhole commingling the Pools will not decrease the value of the oil and gas production.
5. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that ownership in the Pools is identical as defined by 19.15.12.7(B) NMAC.
6. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools, provided evidence a copy of the Application was given to each person, and those persons either submitted a written waiver or did not file an objection to the Application.
7. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.

**CONCLUSIONS OF LAW**

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-6, 70-2-11, 70-2-12, 70-2-16, 70-2-17, and 19.15.12 NMAC.
9. The downhole commingling of the Pools is common, or Applicant has provided evidence that the fluids are compatible and will not damage the Pools in accordance with 19.15.12.11(A)(1) NMAC.
10. The bottom perforation of the lower zone is within one hundred fifty percent (150%) of the depth of the top perforation in the upper zone or Applicant has provided evidence that the

proposed commingling of the Pools shall not result in shut-in or flowing well bore pressure in excess of the commingled pool's fracture parting pressure in accordance with 19.15.12.11(A)(3) NMAC.

11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.11(A)(8) NMAC.
12. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools and provided evidence the application was given to those persons in accordance with 19.15.12.11(C)(1)(b) NMAC.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

1. Applicant is authorized to downhole commingle the Pools described in Exhibit A within the well bore of the well identified in Exhibit A.
2. Applicant shall allocate a fixed percentage of the oil and gas production from the Well to each of the Pools as described in Exhibit A.
3. If any of the pools being commingled is prorated, or the Well's production has been restricted by an OCD order in any manner, the allocated production from each producing pool in the commingled well bore shall not exceed the top oil or gas allowable rate for a well in that pool or rate restriction applicable to the well.
4. Prior to commingling production from the Pools within the Well's well bore, Applicant shall confirm the depth of the top of the Queen Formation with OCD's Engineering Bureau. If the depth confirmed by OCD's Engineering Bureau is different than the depth submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after commingling production, Applicant shall submit Form C-103 to the OCD Engineering Bureau correcting the depth of the top of the Queen Formation.
5. If the Well is deepened, then Applicant shall conduct and, no later than forty-five (45) days after the Well is deepened, provide logs to OCD that are sufficient for OCD to determine which pool(s) each new completed interval of the Well will produce from.
6. If the downhole commingling of the Pools reduces the value of the oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new downhole commingling application to OCD to amend this Order to remove the pool that caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
7. If a completed interval of the Well is altered from what is submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after the alteration, Applicant

shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.

8. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



---

**ADRIENNE SANDOVAL  
DIRECTOR**

**DATE:** 12/22/2021

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **DHC-5130**

Operator: **FAE II Operating, LLC (329326)**

Well Name: **Arnott Ramsay NCT-B #3**

Well API: **30-025-11863**

Pool Name: **JALMAT; TAN-YATES-7 RVRS (GAS)**

**Upper Zone**

Pool ID: **79240**

Current: **X**

New:

Allocation: **Fixed Percent**

Oil: **0%**

Gas: **87%**

Interval: **Perforations**

Top: **2,555**

Bottom: **3,070**

Pool Name:

**Intermediate Zone**

Pool ID:

Current:

New:

Allocation:

Oil:

Gas:

Interval:

Top:

Bottom:

Bottom of Interval within 150% of Upper Zone's Top of Interval:

Pool Name: **LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG**

**Lower Zone**

Pool ID: **37240**

Current:

New: **X**

Allocation: **Fixed Percent**

Oil: **100%**

Gas: **13%**

Interval: **Perforations**

Top: **3,095**

Bottom: **3,429**

Bottom of Interval within 150% of Upper Zone's Top of Interval: **YES**

Top of Queen Formation: **3,175**



**District I**

1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**

811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**

1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 23132

**CONDITIONS**

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 1000 Houston, TX 77079	OGRID: 329326
	Action Number: 23132
	Action Type: [C-107] Down Hole Commingle (C-107A)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	12/22/2021